

## Message Text

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15

ACTION NEA-09

INFO OCT-01 ISO-00 L-02 H-02 TRSY-02 AID-05 CIAE-00

COME-00 EB-07 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03

SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15

STR-04 CEA-01 /077 W

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R 090259Z APR 75

FM AMEMBASSY COLOMBO

TO SECSTATE WASHDC 2533

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E.O. 11652 N/A

TAGS: EINV, CE

SUBJ: POSITIVE DEVELOPMENTS RE PFIZER ISSUE

REF: (A) COLOMBO 0322 (B) COLOMBO0566

1. DISPUTE BETWEEN PFIZER PHARMACEUTICAL CORPORATION AND GSL HAS MOVED SIGNIFICANT STEP TOWARD RESOLUTION BUT NOT BEFORE PRIME MINISTER AGAIN RAISED SUBJECT WITH AMBASSADOR. TOWARD END THEIR MARCH 28 CONVERSATION, PRIME MINISTER SAID THAT SHE HAD ASKED STATE PHARMACEUTICAL CORPORATION (SPC) CHAIRMAN BIBILE TO JOIN HER AND SUMMONED HIM FROM ADJACENT ROOM. BIBILE THEN PROCEEDED OUTLINE SPECIFIC BILL FOR PARTICULARS AGAINST PFIZER BASED ON SERIES OF POINTS HE HAD PREPARED FOR PRIME MINISTER. IN SUM, HE CHARGED THAT PFIZER FOR SEVERL YEARS HAD DELAYED IMPLEMENTATION OF SPC'S "THRITY-FOUR DRUG" PROGRAM AND WAS CONTINUING TO DRAG ITS FEET.

2. AMBASSADOR WAS SURPRISED TO DISCOVER DURING CONVERSATION THAT PFIZER GENERAL MANAGER BEHRENSHAUSEN HAD NOT YET MET WITH BIBILE DESPITE EMBASSY'S UNDERSTANDING

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BEHRENSHAUSEN WOULD MEET BIBILE PROMPTLY AS RESULT

COMPROMISE PROPOSALS AGREED TO WHEN PFIZER'S PRESIDENT FOR ASIA NEIMETH VISITED COLOMBO IN MID-FEBRUARY (REFTEL B). PRIME MINISTER SAID SHE DID NOT WANT TO THREATEN TO TAKE OVER PFIZER BUT ON BASIS INFORMATION SHE HAD RECEIVED, IT SEEMED APPARENT PFIZER WAS ENGAGED IN DELAYING TACTICS AND UNWILLING TO SEEK ACCOMMODATION. IF ISSUE COULD NOT BE RESOLVED AMICABLY, PM WONDERED WHETHER PFIZER WOULD BE WILLING TO SELL OUT TO GSL.

3. AMBASSADOR MET NEXT WITH BEHRENSHAUSEN AND URGED HIM TO MEET SOONEST WITH BIBILE AND TO PUT FORWARD COMPROMISE PROPOSAL WORKED OUT BY NEIMETH. AMBASSADOR THEN ARRANGED BEHRENSHAUSEN MEET APRIL 3 WITH BIBILE

AND, WITH ADVANCE AGREEMENT BOTH MEN, ASSIGNED EMBASSY OFFICER BRYNN TO SIT IN ON MEETING AS OBSERVER.

4. IN APRIL 3 MEETING BEHRENSHAUSEN INFORMED BIBILE PFIZER PREPARED TO ACCEPT SPC POSITION ON ALL FOUR ISSUES DESCRIBED PARA 3 REFTEL B EXCEPTING MANUFACTURE OF DIABINESE. BIBILE REPLIED THAT PFIZER OFFER SETTLED OUTSTANDING ISSUES. LONG DISCUSSION OF METHODS TO IMPLEMENT AGREEMENT REVEALED CONTINUED SPC-PFIZER DIS-AGREEMENT ON TESTING PROCEDURES AND OTHER SUBSIDIARY TOPICS BUT NO MAJOR HITCHES DEVELOPED. PFIZER OFFERED TO MANUFACTURE UNDER SPC CONTRACT VARIETY OF STERILE INJECTION, OINTMENT AND LIQUID DRUG PREPARATIONS AS WELL AS ITS TRADITIONAL PRODUCTS TAKEN OVER UNDER "THIRTY-FOUR DRUG" PROGRAM. SPC IN TURN PLEDGED ASSISTANCE IN RESOLVING BUREAUCRATIC BOTTLENECKS RELATED TO IMPORTATION OF NEW EQUIPMENT AND THIS WEEK WILL DRAW UP LIST OF REQUIREMENTS IN PRIORITY ORDER FOR PFIZER CONTRACT MANUFACTURE.

5. COMMENT: UNLESS UNFORESEEN PROBLEMS ARISE, IT APPEARS PFIZER'S SUBSTANTIAL CONCESSIONS HAVE DEFLECTED IMMEDIATE TAKEOVER THREAT, ALTHOUGH BIBILE PROBABLY STPDT HOPES GSL WILL TAKE OVER PFIZER AND OTHER DRUG COMPANIES IN LONG RUN.

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VAN HOLLEN

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NNN

## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DRUG INDUSTRY, DISPUTES  
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**Draft Date:** 09 APR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** woolflhd  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
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**Original Handling Restrictions:** n/a  
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**Subject:** POSITIVE DEVELOPMENTS RE PFIZER ISSUE  
**TAGS:** EINV, CE  
**To:** STATE  
**Type:** TE  
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